

And they know we can go there together. And that's just the way they want it. And I'm convinced the majority of our people believe that.

So what you have done tonight is to make it possible for us to carry on that fight not just in the race for the Presidency but in all the others that embody the choice between building a bridge to the future and trying to build one to the past. We are just 4 years away from a new millennium, 4 more years away from proving that America has an unlimited capacity to be forever young and to keep its best days in front of it. And you have made it possible for us to pursue that with vigor and confidence and good heart.

And I just want you to think about those children who were up on the stage tonight, because whenever I finish speaking and I go down to those crowds and I look at young people who believe in their own potential and who do not like the idea that we have to be divided and we have to leave some behind and who do believe it takes a village to make the most

of all of our lives, I know why we're all doing this.

That's why you're here tonight. And from the bottom of my heart, I thank you. And I ask you to remember that there are still 54 more days before anybody can celebrate anything—54 more days of fighting for the future of the children who closed this wonderful performance tonight.

Thank you all, and God bless you.

NOTE: The President spoke at 10:05 p.m. at the Burkle residence. In his remarks, he referred to recording and film executive David Geffen; actor Tom Hanks; musical groups Chicago, the Aaron Neville Band, and the Eagles; saxophonist Tom Scott; comedienne Paula Poundstone; author Maya Angelou; singer Barbra Streisand; NBA basketball player Earvin (Magic) Johnson; and Donald L. Fowler, national chairman, Democratic National Committee. A tape was not available for verification of the content of these remarks.

Message to the Congress Reporting on the National Emergency With Respect to Iran

September 13, 1996

To the Congress of the United States:

I hereby report to the Congress on developments concerning the national emergency with respect to Iran that was declared in Executive Order 12957 of March 15, 1995, and matters relating to the measures in that order and in Executive Order 12959 of May 6, 1995. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) (IEEPA), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c). This report discusses only matters concerning the national emergency with respect to Iran that was declared in Executive Order 12957 and does not deal with those relating to the emergency declared on November 14, 1979, in connection with the hostage crisis.

1. On March 15, 1995, I issued Executive Order 12957 (60 *Fed. Reg.* 14615, March 17, 1995) to declare a national emergency with respect to Iran pursuant to IEEPA, and to pro-

hibit the financing, management, or supervision by United States persons of the development of Iranian petroleum resources. This action was in response to actions and policies of the Government of Iran, including support for international terrorism, efforts to undermine the Middle East peace process, and the acquisition of weapons of mass destruction and the means to deliver them. A copy of the order was provided to the Speaker of the House of Representatives and the President of the Senate by letter dated March 15, 1995. Following the imposition of these restrictions with regard to the development of Iranian petroleum resources, Iran continued to engage in activities that represent a threat to the peace and security of all nations, including Iran's continuing support for international terrorism, its support for acts that undermine the Middle East peace process, and its intensified efforts to acquire weapons of mass destruction. On May 6, 1995, I issued Executive Order 12959 to further respond to the Iranian

threat to the national security, foreign policy, and economy of the United States.

Executive Order 12959 (60 *Fed. Reg.* 24757, May 9, 1995) (1) prohibits exportation from the United States to Iran or to the Government of Iran of goods, technology, or services; (2) prohibits the reexportation of certain U.S. goods and technology to Iran from third countries; (3) prohibits transactions such as brokering and other dealing by United States persons in goods and services of Iranian origin or owned or controlled by the Government of Iran; (4) prohibits new investments by United States persons in Iran or in property owned or controlled by the Government of Iran; (5) prohibits U.S. companies and other United States persons from approving, facilitating, or financing performance by a foreign subsidiary or other entity owned or controlled by a United States person of certain reexport, investment, and certain trade transactions that a United States person is prohibited from performing; (6) continue the 1987 prohibition on the importation into the United States of goods and services of Iranian origin; (7) prohibits any transaction by any United States person or within the United States that evades or avoids or attempts to violate any prohibition of the order; and (8) allowed U.S. companies a 30-day period in which to perform trade transactions pursuant to contracts predating the Executive order.

At the time of signing Executive Order 12959, I directed the Secretary of the Treasury to authorize through specific licensing certain transactions, including transactions by United States persons related to the Iran-United States Claims Tribunal in The Hague, established pursuant to the Algiers Accords, and related to other international obligations and United States Government functions, and transactions related to the export of agricultural commodities pursuant to preexisting contracts consistent with section 5712(c) of title 7, United States Code. I also directed the Secretary of the Treasury in consultation with the Secretary of State, to consider authorizing United States persons through specific licensing to participate in market-based swaps of crude oil from the Caspian Sea area for Iranian crude oil in support of energy projects in Azerbaijan, Kazakstan, and Turkmenistan.

Executive Order 12959 revoked sections 1 and 2 of Executive Order 12613 of October 29, 1987, and sections 1 and 2 of Executive Order

12957 of March 15, 1995, to the extent they are inconsistent with it. A copy of Executive Order 12959 was transmitted to the Speaker of the House of Representatives and the President of the Senate by letters dated May 6, 1995.

2. On March 8, 1996, I renewed for another year the national emergency with respect to Iran pursuant to IEEPA. This renewal extended the current comprehensive trade embargo against Iran in effect since May 1995. Under these sanctions, virtually all trade with Iran is prohibited except for information and informational materials and certain other limited exceptions.

3. There were no amendments to the Iranian Transactions Regulations, 31 CFR Part 560 (the "ITR") during the reporting period.

4. During the current 6-month period, the Department of the Treasury's Office of Foreign Assets Control (OFAC) made numerous decisions with respect to applications for licenses to engage in transactions under the ITR, and issued 24 licenses. The majority of denials were in response to requests to authorize commercial exports to Iran and the importation of Iranian-origin goods. The majority of the licenses issued authorized the completion of commodity "string transactions" entered into by U.S. parties with respect to foreign commodities and having no knowledge or control over the Iranian interest in the contracts; the export and reexport of goods, services, and technology essential to ensure the safety of civil aviation and safe operation of certain commercial passenger aircraft in Iran; licenses relating to Iranian participation in the 1996 Atlanta Olympic and Paralympic Games; the importation of Iranian-origin artwork for public exhibition; and certain humanitarian imports and exports. In light of statutory restrictions applicable to goods and technology involved in the air safety cases, the Department of the Treasury continues to consult and coordinate with the Departments of State and Commerce on these matters, consistent with section 4 of Executive Order 12959.

In consultation with the Board of Governors of the Federal Reserve System and bank regulators in New York and California, OFAC revoked the licenses of all Iranian banking agencies in the United States. State regulators then required them to convert to Representative Office status. There are now no Iranian banks authorized to conduct banking business in the United States. Activities have been restricted to "limited representation," allowing only research

and coordination with U.S. holders of affiliate correspondent accounts.

Bank Saderat, Iran's New York Representative Office, was nominated by the Central Bank of Iran to act as its agent for procedures outlined in the "Airbus" settlement at The Hague. Accordingly, Bank Saderat was separately licensed by OFAC for the limited purpose of collecting information for the Central Bank of Iran about U.S. commercial claims against Iranian banks. The information will be forwarded to and cleared by Iranian and State Department officials and used in making independent determinations as to which claims can be paid from a special escrow account established at the Federal Reserve Bank of New York.

The U.S. financial community continues to interdict transactions associated with Iran and to consult with OFAC about their appropriate handling. During this reporting period, OFAC took decisive action to prevent the U.S. clearing of third country dollar travelers checks sold by Iranian banks.

5. The U.S. Customs Service has continued to effect numerous seizures of Iranian-origin merchandise, primarily carpets, for violation of the import prohibitions of the ITR. Various enforcement actions carried over from previous reporting periods are continuing and new reports of violations are being aggressively pursued. Since March 11, 1996, OFAC has collected two civil penalties totaling \$6,000. The violations underlying these collections involve unlicensed exports to Iran. Civil penalty action is pending against 12 U.S. companies and financial institutions for violations of the Regulations.

6. The expenses incurred by the Federal Government in the 6-month period from March 15 through September 14, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iran are ap-

proximately \$850,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of Political-Military Affairs, and the Office of the Legal Adviser), and the Department of Commerce (the Bureau of Export Administration and the General Counsels Office).

7. The situation reviewed above continues to involve important diplomatic, financial, and legal interests of the United States and its nationals and presents an extraordinary and unusual threat to the national security, foreign policy, and economy of the United States. The declaration of the national emergency with respect to Iran contained in Executive Order 12957 and the comprehensive economic sanctions imposed by Executive Order 12959 underscore the United States Government opposition to the actions and policies of the Government of Iran, particularly its support of international terrorism and its effort to acquire weapons of mass destruction and the means to deliver them. The Iranian Trans-actions Regulations issued pursuant to Executive Orders 12957 and 12959 continue to advance important objectives in promoting the non-proliferation and antiterrorism policies of the United States. I shall exercise the powers at my disposal to deal with these problems and will report periodically to the Congress on significant developments.

WILLIAM J. CLINTON

The White House,
September 13, 1996.

Message to the Senate Transmitting the Constitution and Convention of the International Telecommunication Union

September 13, 1996

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit

herewith the Constitution and Convention of the International Telecommunication Union (ITU), with Annexes, signed at Geneva on December